

House File 2450 - Enrolled

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AN ACT

RELATING TO CERTAIN DEPARTMENT OF ECONOMIC DEVELOPMENT
PROGRAMS INCLUDING VISION IOWA BOARD MEMBERSHIP,
RENEWABLE FUELS MARKETING, FILM PROJECT TAX CREDITS,
THE PROMOTION OF IOWA TOURISM EXPERIENCES, THE
CONSOLIDATION OF REPORTING REQUIREMENTS, THE
ADMINISTRATION OF TARGETED INDUSTRIES DEVELOPMENT,
AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

VISION IOWA BOARD MEMBERSHIP

Section 1. Section 15F.102, subsection 2, paragraph f,
Code 2007, is amended to read as follows:

f. The director of the department of economic development
or the director's designee.

DIVISION II

MARKETING OF RENEWABLE FUELS PROGRAMS

Sec. 2. Section 15G.205, subsection 3, Code 2007, is
amended to read as follows:

3. Moneys in the renewable fuel infrastructure fund are
appropriated to the department exclusively to support and
market the renewable fuel infrastructure programs as provided
in sections 15G.203 and 15G.204, and as allocated in financial
incentives by the renewable fuel infrastructure board as
created in section 15G.202. Up to fifty thousand dollars
shall be allocated each fiscal year to the department to
support the administration of the programs. The department
may use up to one and one-half percent of the program funds to
market the program. Otherwise the moneys shall not be

transferred, used, obligated, appropriated, or otherwise
encumbered except to allocate as financial incentives under
the programs.

DIVISION III

FILM PROJECT TAX CREDITS

Sec. 3. Section 15.393, subsection 2, paragraph b,
subparagraph (1), Code Supplement 2007, is amended to read as
follows:

(1) For tax years beginning on or after January 1, 2007,
an investment tax credit shall be allowed against the taxes
imposed in chapter 422, divisions II, III, and V, and in
chapter 432, and against the moneys and credits tax imposed in
section 533.329, for a portion of a taxpayer's investment in a
project registered under the program. The tax credit shall
equal twenty-five percent of the investment in the project,
except that the tax credit shall not exceed twenty-five
percent of the qualified expenditures on the project. An

individual may claim a tax credit under this paragraph of a
partnership, limited liability company, S corporation, estate,
or trust electing to have income taxed directly to the
individual. The amount claimed by the individual shall be
based upon the pro rata share of the individual's earnings
from the partnership, limited liability company, S
corporation, estate, or trust. Any tax credit in excess of
the taxpayer's liability for the tax year may be credited to
the tax liability for the following five years or until
depleted, whichever is earlier. A tax credit shall not be
carried back to a tax year prior to the tax year in which the
taxpayer claims the tax credit. A taxpayer shall not claim a
tax credit under this paragraph "b" for qualified expenditures
for which a tax credit is claimed under paragraph "a".

DIVISION IV

TOURISM PROGRAM PROMOTING IOWA EXPERIENCES

Sec. 4. Section 15.108, subsection 5, paragraph c, Code
Supplement 2007, is amended to read as follows:

c. Coordinate and develop with the ~~state~~ department of
transportation, the ~~state~~ department of natural resources, the
~~state~~ department of cultural affairs, ~~and other state agencies~~
the generation Iowa commission, the vision Iowa board, other
state agencies, and local and regional entities public

3 4 interpretation, marketing, and education programs which that
3 5 encourage Iowans and out-of-state visitors to participate in
3 6 the recreation recreational and leisure opportunities
3 7 available in Iowa. The department shall establish and
3 8 administer a program that helps connect both Iowa residents
3 9 and residents of other states to new and existing Iowa
3 10 experiences as a means to enhance the economic, social, and
3 11 cultural well-being of the state. The program shall include a
3 12 broad range of new opportunities, both rural and urban,
3 13 including main street destinations, green space initiatives,
3 14 and artistic and cultural attractions.

3 15 DIVISION V

3 16 CONSOLIDATION OF REPORTING REQUIREMENTS

3 17 Sec. 5. Section 15.104, subsection 1, Code Supplement
3 18 2007, is amended by striking the subsection.

3 19 Sec. 6. Section 15.104, subsection 9, Code Supplement
3 20 2007, is amended by striking the subsection and inserting in
3 21 lieu thereof the following:

3 22 9. By January 31 of each year, submit a report to the
3 23 general assembly and the governor that covers its activities
3 24 during the preceding fiscal year. The report shall include
3 25 all of the following:

3 26 a. FINANCIAL ASSISTANCE PROGRAMS. Data on all assistance
3 27 provided to business finance projects under the community
3 28 economic betterment program established in section 15.317,
3 29 eligible businesses under the high quality job creation
3 30 program described in section 15.326, the value-added
3 31 agricultural products and processes financial assistance
3 32 program established in section 15E.111.

3 33 b. PROJECTS FUNDED THROUGH THE GROW IOWA VALUES FUND. For
3 34 each job creation or retention business finance project
3 35 receiving moneys from the grow Iowa values fund created in
4 1 section 15G.108, the following information:

4 2 (1) The net number of new jobs created as of June 30 of
4 3 the prior year. For the purposes of this subparagraph, "net
4 4 number of new jobs" is the number of new or retained jobs as
4 5 identified in the contract.

4 6 (2) The number of jobs created, as of June 30 of the prior
4 7 year, that are at or above the qualifying wage threshold for
4 8 the project. For the purposes of this subparagraph,
4 9 "qualifying wage threshold" means the wage that meets the
4 10 required percentage of the average county or average regional
4 11 wage for the programs or funding sources involved with the
4 12 project.

4 13 (3) The number of retained jobs, as of June 30 of the
4 14 prior year. For the purposes of this subparagraph, "retained
4 15 jobs" means the number of retained jobs as identified in the
4 16 contract.

4 17 (4) The total amount expended by a business, as of June 30
4 18 of the prior year, toward the total project cost as identified
4 19 in the contract.

4 20 (5) The project's location.

4 21 (6) The amount, if any, of private and local matching
4 22 funds, as of June 30 of the prior year.

4 23 (7) The amount spent on research and development
4 24 activities, as of June 30 of the prior year.

4 25 c. INDUSTRIAL NEW JOBS TRAINING ACT. Data on all
4 26 assistance or benefits provided under the Iowa industrial new
4 27 jobs training Act established in chapter 260E.

4 28 d. WORKFORCE DEVELOPMENT FUND. The proposed allocation of
4 29 moneys from the workforce development fund to be made for the
4 30 next fiscal year for the programs and purposes contained in
4 31 section 15.343, subsection 2.

4 32 (1) The director shall submit a copy of the proposed
4 33 allocation to the chairpersons of the joint economic
4 34 development appropriations subcommittee of the general
4 35 assembly. Notwithstanding section 8.39, the proposed
5 1 allocation may provide for increased or decreased funding
5 2 levels if the demand for a program indicates that the need is
5 3 greater or lesser than the allocation for that program.
5 4 (2) The director shall submit a report each quarter to the
5 5 board. The report shall include the status of the funds and
5 6 may include the director's proposed revisions. The proposed
5 7 revisions may be approved by the board in January and April of
5 8 each year.

5 9 (3) The director shall also provide quarterly reports to
5 10 the legislative services agency on the status of the funds.

5 11 e. EMPLOYEE TRAINING AND RETRAINING GOALS AND OBJECTIVES.
5 12 Pursuant to section 15.108, subsection 6, the upcoming year's
5 13 goals and objectives, including both short-term and long-term
5 14 methods of improving program performance, creating employment

5 15 opportunities for residents, and enhancing the delivery of
5 16 services.

5 17 f. ACCELERATED CAREER EDUCATION PROGRAMS. The data
5 18 related to the accelerated career education programs
5 19 established in chapter 260G and the activities of those
5 20 programs during the previous fiscal year.

5 21 g. COORDINATION WITH COMMUNITY COLLEGES AND STATE BOARD OF
5 22 REGENTS. Pursuant to section 15.108, subsection 3, paragraph
5 23 "a", subparagraph (1), an assessment of the degree to which
5 24 the department has coordinated with the community colleges and
5 25 the state board of regents institutions in the avoidance of
5 26 duplication of economic development efforts, including the
5 27 degree to which there are future coordination needs. The
5 28 state board of regents institutions and the community colleges
5 29 shall be given an opportunity to review and comment on this
5 30 portion of the department's annual report prior to its
5 31 printing or release.

5 32 h. ENDOW IOWA PROGRAM. In cooperation with the lead
5 33 philanthropic entity, as defined in section 15E.303, a summary
5 34 of the activities conducted under the endow Iowa grant program
5 35 created in section 15E.304. This portion of the annual report
6 1 shall include a summary of the endow Iowa tax credits approved
6 2 by the department in the prior calendar year, including the
6 3 number of credits approved, the amount approved, a summary of
6 4 the benefiting donations by size, and the number of community
6 5 foundations and affiliate organizations benefiting from the
6 6 tax credit program.

6 7 i. GROW IOWA VALUES FUND EXPENDITURES. Detailed financial
6 8 data that delineate expenditures made under each component of
6 9 the grow Iowa values fund created in section 15G.108.

6 10 j. RENEWABLE FUEL PROGRAMS. A detailed accounting of
6 11 expenditures in support of renewable fuel infrastructure
6 12 programs, as provided in sections 15G.203 and 15G.204. The
6 13 renewable fuel infrastructure board established in section
6 14 15G.202 shall approve that portion of the department's annual
6 15 report regarding projects supported from the grow Iowa values
6 16 fund created in section 15G.108. This paragraph is repealed
6 17 on July 1, 2012.

6 18 k. PILOT PROJECT CITIES == WITHHOLDING AGREEMENT, TAX
6 19 CREDITS. Data on the pilot project cities established
6 20 pursuant to section 403.19A, including all of the following:

6 21 (1) The amount each project received from each state
6 22 economic development and tax credit program.

6 23 (2) The number of new jobs created as a result of the
6 24 pilot program.

6 25 (3) The average wage of the jobs created as a result of
6 26 the pilot project.

6 27 (4) An evaluation of the investment made by the state of
6 28 Iowa in the pilot project cities program, including but not
6 29 limited to the items described in subparagraphs (1) through
6 30 (3).

6 31 l. TARGETED INDUSTRIES DEVELOPMENT == FINANCIAL
6 32 ASSISTANCE. A report of the expenditures of moneys
6 33 appropriated and allocated to the department for certain
6 34 programs authorized pursuant to section 15.411 relating to the
6 35 development and commercialization of businesses in the
7 1 targeted industry areas of advanced manufacturing, bioscience,
7 2 and information technology.

7 3 m. TARGETED SMALL BUSINESS ACTIVITIES. A section that is
7 4 a compilation of the following reports required pursuant to
7 5 section 15.108, subsection 7, paragraph "c":

7 6 (1) A summary of the report filed by December 1 of each
7 7 year by the department of administrative services with the
7 8 department of economic development regarding targeted small
7 9 business procurement activities conducted during the previous
7 10 fiscal year.

7 11 (2) A summary of the report filed by December 1 of each
7 12 year by the department of inspections and appeals with the
7 13 department of economic development regarding certifications of
7 14 targeted small businesses. At a minimum, the summary shall
7 15 include the number of certified targeted small businesses for
7 16 the previous year, the increase or decrease in that number
7 17 during the previous fiscal year compared to the prior fiscal
7 18 year, and the number of targeted small businesses that have
7 19 been decertified in the previous fiscal year.

7 20 (3) A summary of the internal report compiled by December
7 21 1 of each year by the department of economic development
7 22 regarding the targeted small business financial assistance
7 23 program. At a minimum, the summary shall contain the number
7 24 of loans, loan guarantees, and grants distributed during the
7 25 previous fiscal year, the individual amounts provided to

7 26 targeted small businesses during the previous fiscal year, and
7 27 how many financial assistance awards to targeted small
7 28 businesses were the subject of repayment or collection
7 29 activity during the previous fiscal year.

7 30 (4) A list of the procurement goals established pursuant
7 31 to section 73.16, subsection 2, and compiled by the department
7 32 of economic development's targeted small business marketing
7 33 and compliance manager and the performance of each agency in
7 34 meeting the goals. The performance of each agency shall be
7 35 based upon the reports required pursuant to section 73.16,
8 1 subsection 2.

8 2 Sec. 7. Section 15.108, subsection 3, paragraph a,
8 3 subparagraph (1), Code Supplement 2007, is amended to read as
8 4 follows:

8 5 (1) Provide the mechanisms to promote and facilitate the
8 6 coordination of management and technical assistance services
8 7 to Iowa businesses and industries and to communities by the
8 8 department, by the community colleges, and by the state board
8 9 of regents institutions, including the small business
8 10 development centers, the center for industrial research and
8 11 service, and extension activities. In order to achieve this
8 12 goal, the department may establish periodic meetings with
8 13 representatives from the community colleges and the state
8 14 board of regents institutions to develop this coordination.
8 15 The community colleges and the state board of regents
8 16 institutions shall cooperate with the department in seeking to
8 17 avoid duplication of economic development services through
8 18 greater coordinating efforts in the utilization of space,
8 19 personnel, and materials and in the development of referral
8 20 and outreach networks. ~~The department shall annually report~~
~~8 21 on the degree to which economic development activities have~~
~~8 22 been coordinated and the degree to which there are future~~
~~8 23 coordination needs, and the community colleges and the state~~
~~8 24 board of regents institutions shall be given an opportunity to~~
~~8 25 review and comment on this report prior to its printing or~~
~~8 26 release.~~ The department shall also establish a registry of
8 27 applications for federal funds related to management and
8 28 technical assistance programs.

8 29 Sec. 8. Section 15.108, subsection 4, paragraph a, Code
8 30 Supplement 2007, is amended by striking the paragraph.

8 31 Sec. 9. Section 15.108, subsection 6, paragraph b,
8 32 subparagraph (3), Code Supplement 2007, is amended by striking
8 33 the subparagraph.

8 34 Sec. 10. Section 15.343, subsection 1, Code 2007, is
8 35 amended to read as follows:

9 1 1. a. A workforce development fund is created as a
9 2 revolving fund in the state treasury under the control of the
9 3 department consisting of any moneys appropriated by the
9 4 general assembly for that purpose and any other moneys
9 5 available to and obtained or accepted by the department from
9 6 the federal government or private sources for placement in the
9 7 fund. The fund shall also include ~~all of the following:~~

~~9 8 a. Notwithstanding section 8.33, all unencumbered and~~
~~9 9 unobligated funds from 1994 Iowa Acts, chapter 1201, section~~
~~9 10 1, subsection 6, except paragraph "d"; section 3, subsections~~
~~9 11 1 and 3; and section 10, remaining on July 1, 1995, and all~~
~~9 12 unencumbered and unobligated funds in the Iowa conservation~~
~~9 13 corps escrow account established in section 84A.7 and the job~~
~~9 14 training fund established in section 260F.6.~~

9 15 b. ~~Moneys~~ moneys appropriated to the fund from the
9 16 workforce development fund account established in section
9 17 15.342A.

9 18 b. Notwithstanding section 8.33, moneys in the workforce
9 19 development fund at the end of each fiscal year shall not
9 20 revert to any other fund but shall remain in the workforce
9 21 development fund for expenditure for subsequent fiscal years.

9 22 Sec. 11. Section 15.343, subsection 3, paragraph a, Code
9 23 2007, is amended by striking the paragraph.

9 24 Sec. 12. Section 15E.19, subsection 3, Code 2007, is
9 25 amended by striking the subsection.

9 26 Sec. 13. Section 15E.111, subsection 8, Code 2007, is
9 27 amended by striking the subsection.

9 28 Sec. 14. Section 260G.4C, Code 2007, is amended to read as
9 29 follows:

9 30 260G.4C FACILITATOR.

9 31 The department of economic development shall administer the
9 32 statewide allocations of program job credits to accelerated
9 33 career education programs. The department shall ~~collect data~~
~~9 34 related to the programs and prepare an annual report regarding~~
~~9 35 the activities of the programs during the previous fiscal~~
~~10 1 year. The report shall be submitted to the governor and the~~

~~10 2 general assembly by December 31 of each year provide~~
~~10 3 information about the accelerated career education programs in~~
~~10 4 accordance with its annual reporting requirements in section~~
~~10 5 15.104, subsection 9.~~

10 6 Sec. 15. Section 403.19A, subsection 3, paragraph 1, Code
10 7 Supplement 2007, is amended to read as follows:

10 8 1. The department of economic development in consultation
10 9 with the department of revenue shall coordinate the pilot
10 10 project program with the pilot project cities under this
10 11 section. The department of economic development is authorized
10 12 to adopt, amend, and repeal rules to implement the pilot
10 13 project program under this section. ~~The department of~~
~~10 14 economic development shall prepare an annual report for the~~
~~10 15 governor, the general assembly, and the legislative services~~
~~10 16 agency on the pilot project program. The pilot project~~
~~10 17 program annual report shall include but not be limited to all~~
~~10 18 of the following:~~

10 19 (1) ~~The amount each project received from each state~~
~~10 20 economic development and tax credit program.~~

10 21 (2) ~~The number of new jobs resulting from the pilot~~
~~10 22 program.~~

10 23 (3) ~~The average wage resulting from the pilot project.~~

10 24 (4) ~~An evaluation of the investment made by the state of~~
~~10 25 Iowa, including but not limited to the terms in subparagraphs~~
~~10 26 (1) through (3).~~

10 27 Sec. 16. Sections 15.113, 15E.306, 15G.206, Code 2007, are
10 28 repealed.

10 29 DIVISION VI
10 30 ADMINISTRATION OF TARGETED INDUSTRIES DEVELOPMENT
10 31 Sec. 17. Section 15.411, subsection 2, unnumbered
10 32 paragraph 1, Code Supplement 2007, is amended to read as
10 33 follows:

10 34 The department shall, upon board approval, contract with a
~~10 35 provider through a request for proposals process service~~
~~11 1 providers on a case-by-case basis~~ for services related to

11 2 statewide commercialization development in the targeted
11 3 industries. Services provided shall include all of the
11 4 following:

11 5 Sec. 18. Section 15.411, Code Supplement 2007, is amended
11 6 by adding the following new subsection:
11 7 NEW SUBSECTION. 10. In each fiscal year, the department
11 8 may expend additional moneys that become available to the
11 9 department from sources such as loan repayments or recaptures
11 10 of awards from federal economic stimulus funds provided the
11 11 department spends those moneys for the implementation of the
11 12 recommendations included in the separate consultant reports on
11 13 bioscience, advanced manufacturing, information technology,
11 14 and entrepreneurship submitted to the department in calendar
11 15 years 2004, 2005, and 2006.

11 16 Sec. 19. EFFECTIVE DATE. The section of this Act amending
11 17 section 15.411, subsection 2, being deemed of immediate
11 18 importance, takes effect upon enactment.

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PATRICK J. MURPHY
11 23 Speaker of the House
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JOHN P. KIBBIE
11 27 President of the Senate
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11 30 I hereby certify that this bill originated in the House and
11 31 is known as House File 2450, Eighty-second General Assembly.

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MARK BRANDSGARD
12 1 Chief Clerk of the House

12 2 Approved _____, 2008

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CHESTER J. CULVER
12 6 Governor
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